

HURON VALLEY SCHOOLS
Livingston and Oakland Counties, Michigan

Additional Reports Required by
the Uniform Guidance

For the year ended June 30, 2023

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HURON VALLEY SCHOOLS

For the year ended June 30, 2023

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**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

October 18, 2023

The Board of Education
Huron Valley Schools
Oakland County, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Huron Valley Schools, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Huron Valley Schools' basic financial statements, and have issued our report thereon dated October 18, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Huron Valley Schools' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Huron Valley Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of Huron Valley Schools' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Huron Valley Schools' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Hungerford Nichols".

Certified Public Accountants
Grand Rapids, Michigan

**INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE**

October 18, 2023

The Board of Education
Huron Valley Schools
Oakland County, Michigan

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Huron Valley Schools' compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Huron Valley Schools' major federal programs for the year ended June 30, 2023. Huron Valley Schools' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Huron Valley Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Huron Valley Schools' and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Huron Valley Schools' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to each of Huron Valley Schools' federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Huron Valley Schools' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Huron Valley Schools' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Huron Valley Schools' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Huron Valley Schools' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Huron Valley Schools' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2023-001. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on Huron Valley Schools' response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Huron Valley Schools' response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis.

A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Huron Valley Schools' response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Example Entity's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Huron Valley Schools, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Huron Valley Schools' basic financial statements. We issued our report thereon dated October 18, 2023, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Certified Public Accountants
Grand Rapids, Michigan

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

HURON VALLEY SCHOOLS

For the year ended June 30, 2023

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal Assistance Listing Number	Approved Grant Award Amount
U.S. Department of Education		
Passed through Michigan Department of Education (MDE):		
Adult Education - Basic Grants to States:	84.002	
221130		\$ 35,724
231130		36,488
Total Adult Education		72,212
Title I, Part A:	84.010	
221530 2122		651,509
231530 2223		726,642
Total Title I, Part A		1,378,151
Title III, Part A:	84.365	
220570 2122		3,564
220580 2122		53,114
230570 2223		4,397
230580 2223		51,511
Total Title III, Part A		112,586
Title II, Part A:	84.367	
220520 2122		276,889
230520 2223		234,708
Total Title II, Part A		511,597
Title IV, Part A:	84.424	
220750 2122		90,736
230750 2223		75,188
Total Title IV, Part A		165,924

See Notes to Schedule of Expenditures of Federal Awards

Accrued (Deferred) Revenue At July 1, 2022	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts (Cash Basis)	Accrued (Deferred) Revenue At June 30, 2023
\$ 35,724	\$ 35,724	\$ -	\$ 35,724	\$ -
-	-	36,488	-	36,488
35,724	35,724	36,488	35,724	36,488
70,276	550,850	40,279	110,555	-
-	-	558,751	481,993	76,758
70,276	550,850	599,030	592,548	76,758
239	961	2,603	2,842	-
4,034	14,731	2,247	6,281	-
-	-	170	170	-
-	-	42,769	42,769	-
4,273	15,692	47,789	52,062	-
38,612	196,859	16,815	55,427	-
-	-	193,209	158,653	34,556
38,612	196,859	210,024	214,080	34,556
456	48,921	13,636	14,092	-
-	-	40,924	36,675	4,249
456	48,921	54,560	50,767	4,249

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

HURON VALLEY SCHOOLS

For the year ended June 30, 2023

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal Assistance Listing Number	Approved Grant Award Amount
Education Stabilization Fund:	84.425	
213742 2122 ESSER II - Credit Recovery 9-12	84.425D	\$ 309,100
213782 2223 ESSER II - 98c Learning Loss	84.425D	417,201
213713 2122 ARP/ESSER III	84.425U	4,979,413
213723 2122 11t Equalization Payments	84.425U	4,525,009
211012 2122 MV ARP Homeless II	84.425W	28,923
Total Education Stabilization Fund		10,259,646
Total Passed Through MDE		12,500,116
Passed through Oakland County Intermediate School District (OCISD):		
Special Education Cluster:		
I.D.E.A. Grants to States:	84.027	
200450 1920		2,271,756
210450 2021		2,338,197
220450 2122		2,197,820
230450 2223		2,255,121
221280 ARP IDEA Flowthrough	84.027X	505,844
Total I.D.E.A. Grants to States		9,568,738
I.D.E.A. Preschool:	84.173	
220460 2122		62,202
230460 2223		70,194
221285 ARP IDEA Preschool	84.173X	36,679
Total I.D.E.A. Preschool		169,075
Total Special Education Cluster		9,737,813
Total Passed Through OCISD		9,737,813
Total U.S. Department of Education		22,237,929

See Notes to Schedule of Expenditures of Federal Awards

Accrued (Deferred) Revenue At July 1, 2022	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts (Cash Basis)	Accrued (Deferred) Revenue At June 30, 2023
\$ 14,515	\$ 173,420	\$ 70,686	\$ 85,201	\$ -
-	-	220,871	-	220,871
85,421	4,054,966	924,447	1,009,868	-
433,903	2,623,903	778,916	1,148,739	64,080
-	-	4,433	358	4,075
533,839	6,852,289	1,999,353	2,244,166	289,026
683,180	7,700,335	2,947,244	3,189,347	441,077
257	257	-	257	-
118,911	382,721	507	119,418	-
994,269	2,027,105	176,647	1,164,985	5,931
-	-	2,255,121	611,008	1,644,113
-	-	505,844	-	505,844
1,113,437	2,410,083	2,938,119	1,895,668	2,155,888
28,883	57,825	4,377	33,260	-
-	-	70,194	27,159	43,035
2,661	2,661	34,018	2,661	34,018
31,544	60,486	108,589	63,080	77,053
1,144,981	2,470,569	3,046,708	1,958,748	2,232,941
1,144,981	2,470,569	3,046,708	1,958,748	2,232,941
1,828,161	10,170,904	5,993,952	5,148,095	2,674,018

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**HURON VALLEY SCHOOLS**

For the year ended June 30, 2023

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal Assistance Listing Number	Approved Grant Award Amount
U.S. Department of Treasury		
Passed Through Oakland County:		
Coronavirus Local Fiscal Recovery Funds:	21.027	
1003874 ARP Oakland County Mental Health		<u>\$ 350,000</u>
U.S. Department of Health and Human Services		
Passed through Michigan Department of Health and Human Services (MDHHS):		
Substance Abuse and Mental Health Services Projects of Regional and National Significance:	93.243	
Stop Act 2122		50,000
Stop Act 2223		<u>50,000</u>
Total Stop Act Support		<u>100,000</u>
Drug-Free Communities Support Program Grants:	93.276	
2122 - 2NH28CE002588-06		125,000
2223 - 5NH28CE002588-07		<u>125,000</u>
Total Drug Free Community Support		<u>250,000</u>
Total Passed Through MDHHS		<u>350,000</u>
Passed through Oakland County Intermediate School District (OCISD):		
Medicaid Cluster:		
Medical Assistance Program:	93.778	
2023 Medicaid Outreach		<u>31,319</u>
Total U.S. Department of Health and Human Services		<u>381,319</u>

See Notes to Schedule of Expenditures of Federal Awards

Accrued (Deferred) Revenue At July 1, 2022	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts (Cash Basis)	Accrued (Deferred) Revenue At June 30, 2023
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,781</u>	<u>\$ 350,000</u>	<u>\$ (300,219)</u>
5,616	5,616	44,384	50,000	-
-	-	4,719	3,771	948
<u>5,616</u>	<u>5,616</u>	<u>49,103</u>	<u>53,771</u>	<u>948</u>
23,850	87,770	37,230	61,080	-
-	-	85,888	78,960	6,928
<u>23,850</u>	<u>87,770</u>	<u>123,118</u>	<u>140,040</u>	<u>6,928</u>
<u>29,466</u>	<u>93,386</u>	<u>172,221</u>	<u>193,811</u>	<u>7,876</u>
-	-	31,319	31,319	-
<u>29,466</u>	<u>93,386</u>	<u>203,540</u>	<u>225,130</u>	<u>7,876</u>

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**HURON VALLEY SCHOOLS**

For the year ended June 30, 2023

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal Assistance Listing Number	Approved Grant Award Amount
U.S. Department of Agriculture		
Passed through Michigan Department of Education (MDE):		
Child Nutrition Cluster:		
Non-Cash Assistance (USDA Commodities):	10.555	
Entitlement Commodities		\$ 154,701
Bonus Commodities		26,735
		<hr/>
Total Non-Cash Assistance		181,436
		<hr/>
Cash Assistance:		
School Breakfast Program:	10.553	
221970		60,872
221971		13,301
231970		555,041
		<hr/>
Total School Breakfast Program		629,214
		<hr/>
National School Lunch Program:		
	10.555	
220910		141,432
221960		144,409
221961		28,009
230910		74,694
231960		1,248,503
		<hr/>
Total National School Lunch Program		1,637,047
		<hr/>
Total Cash Assistance		2,266,261
		<hr/>
Total Child Nutrition Cluster		2,447,697
		<hr/>

See Notes to Schedule of Expenditures of Federal Awards

Accrued (Deferred) Revenue At July 1, 2022	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts (Cash Basis)	Accrued (Deferred) Revenue At June 30, 2023
\$ -	\$ -	\$ 154,701	\$ 154,701	\$ -
-	-	26,735	26,735	-
-	-	181,436	181,436	-
361	361	60,872	61,233	-
68,878	903,225	13,301	82,179	-
-	-	555,041	555,041	-
69,239	903,586	629,214	698,453	-
-	-	141,432	141,432	-
1,369	1,369	144,409	145,778	-
175,880	2,500,947	28,009	203,889	-
-	-	74,694	74,694	-
-	-	1,248,503	1,248,503	-
177,249	2,502,316	1,637,047	1,814,296	-
246,488	3,405,902	2,266,261	2,512,749	-
246,488	3,405,902	2,447,697	2,694,185	-

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**HURON VALLEY SCHOOLS**

For the year ended June 30, 2023

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal Assistance Listing Number	Approved Grant Award Amount
Child Nutrition Discretionary Grants Limited Availability: School Breakfast Expansion: 221995	10.579	<u>\$ 10,000</u>
Pandemic EBT Local Level Costs: 220980 2022	10.649	<u>3,135</u>
Total U.S. Department of Agriculture		<u>2,460,832</u>
Total Federal Financial Assistance		<u><u>\$ 25,430,080</u></u>

See Notes to Schedule of Expenditures of Federal Awards



Accrued (Deferred) Revenue At July 1, 2022	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts (Cash Basis)	Accrued (Deferred) Revenue At June 30, 2023
\$ -	\$ -	\$ 10,000	\$ -	\$ 10,000
-	-	3,135	3,135	-
246,488	3,405,902	2,460,832	2,697,320	10,000
<u>\$ 2,104,115</u>	<u>\$ 13,670,192</u>	<u>\$ 8,708,105</u>	<u>\$ 8,420,545</u>	<u>\$ 2,391,675</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

HURON VALLEY SCHOOLS

For the year ended June 30, 2023

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Huron Valley Schools under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Huron Valley Schools, it is not intended to and does not present the financial position, changes in net position, or cash flows, as applicable, of Huron Valley Schools.

Note B – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the same basis of accounting as the basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note C – Indirect Cost Rate

Huron Valley Schools has elected not to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

Note D – Grant Section Auditor Report

Management has utilized the MDE NexSys Grant, Application and Cash Management System Grant Auditor Report (GAR) in preparing the Schedule of Expenditures of Federal Awards.

Note E – Non-Cash Assistance

The amounts reported on the Recipient Entitlement Balance Report, or PAL Report, agree with the Schedule for USDA donated food commodities.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

HURON VALLEY SCHOOLS

For the year ended June 30, 2023

Note F – Federal Income Reconciliation

	Grant Expenditures Per Schedule of Federal Financial Assistance	Federal Revenue Per Financial Statements	Difference
Title I, Part A	\$ 599,030	\$ 599,030	\$ -
Title III, Part A	47,789	47,789	-
Title II, Part A	210,024	210,024	-
Title IV, Part A	54,560	54,560	-
Education Stabilization Fund	1,999,353	1,999,353	-
Adult Education	36,488	36,488	-
Special Education Cluster	3,046,708	3,046,708	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	49,103	49,103	-
Drug-Free Communities Support Program Grants	123,118	123,118	-
Medicaid Cluster	31,319	31,319	-
Child Care and Development Block Grant	-	15,903	(15,903) *
Coronavirus Local Fiscal Recovery Funds	49,781	49,781	-
Child Nutrition Cluster	2,447,697	2,447,697	-
School Breakfast Expansion	10,000	10,000	-
Pandemic EBT Local Level Costs	3,135	3,135	-
	\$ 8,708,105	\$ 8,724,008	\$ (15,903)

*The difference in Federal expenditures to Federal revenue per the financial statements is due to the determination made by the Office of Child Development & Care (CDC) that deemed the recipients of Child Care Stabilization portion of the Child Care and Development Block Grants to be beneficiaries, not subrecipients.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

HURON VALLEY SCHOOLS

For the year ended June 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? Yes X None reported

Noncompliance material to financial statements noted?

 Yes X No

Federal Awards

Internal control over financial reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? X Yes None reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?

 X Yes No

Identification of major programs audited:

Child Nutrition Cluster:

10.553 - School Breakfast Program

10.555 - National School Lunch Program

84.425 - Education Stabilization Fund

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

HURON VALLEY SCHOOLS

For the year ended June 30, 2023

Section I - Summary of Auditor's Results (Continued)

Dollar threshold used to distinguish between
Type A and Type B programs:

\$ 750,000

Auditee qualified as a low-risk auditee?

X

Yes

 No

Section II - Financial Statement Audit Findings

There were no findings that are required to be reported under *Governmental Auditing Standards*.

Section III - Major Federal Award Programs Findings and Questioned Costs

2023-001 Reporting – Inaccurate Meal Counts

Finding Type: Significant deficiency in internal control over compliance and noncompliance with laws and regulations.

Program Impacted: Child Nutrition Cluster (10.553/10.555)

Criteria: 7 CFR 210.8(a) requires that school food authorities establish internal controls which ensure the accuracy of lunch counts prior to the submission of the monthly Claim for Reimbursement. At a minimum, these internal controls shall include on-site reviews of the meal counting and claiming system employed by each school in the District, comparisons of daily meal counts against data which will assist in the identification of meal counts in excess of the number of meals served each day to children eligible for such meals; and a system for following upon those meal counts which suggest the likelihood of meal counting problems.

Condition: The District did not maintain effective internal controls over the Nutrition program to ensure the accuracy of meals served, as reported on monthly Claims for Reimbursement.

Cause: The District's oversight of monthly Claims for Reimbursement was not effective in ensuring that meals reported as served were accurate.

Effect: Monthly Claims for Reimbursement were in some cases inaccurate, and full meal reimbursements to the extent allowed under the program were not received by the District.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

HURON VALLEY SCHOOLS

For the year ended June 30, 2023

Context: We evaluated meals served per the monthly Claims for Reimbursement report for three months during the audit period, for all schools in the District, and noted the following:

- For 3 of 3 months reviewed, meals served per the Claim for Reimbursement report did not agree with meals served per supporting records.
- Total meals recorded on physical meal count checklists did not consistently agree to the summary spreadsheet used for entry in the Claim for Reimbursement report.
- For the three months reviewed, net meals over-requested amounted to 83.

Questioned Costs: \$363 known and likely

Recommendation: The District should establish and maintain effective procedures and internal controls that would identify and correct errors prior to requests for reimbursement and ensure accuracy of meals reported on monthly Claims for Reimbursement.

View of Responsible Officials: The District agrees with the finding and will establish effective controls to ensure the accuracy of meal count records.



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Finding Number

Federal Programs Audit:	Responsible Person	Management Views	Corrective Action	Anticipated Completion Date
2023-001	Sara Simmerman, Food Service Supervisor	Management agrees with the finding and is in the process of implementing the recommendation.	The District will implement controls in its meal claim process to ensure that student meals claimed for reimbursement equal student meals served. The Food Service Supervisor and/or Food Service Administrative Assistant will create a summary meal count sheet each month totaling the number of student meals served based on the electronic and manual meal count sheets prior to submitting the meal claim in the Michigan Nutrition Data System (MiND). The monthly meal claim submitted will be filed with the supporting documentation and signed by the individual submitting the claim attesting that the meals claimed match the meals counted.	Immediate Implementation